FCR 13

Office of the President December 13, 2022

Members, Board of Trustees:

<u>CONSTRUCT AMBULATORY FACILITY-UK HEALTHCARE AND</u> <u>CONSTRUCT STATE STREET MEDICAL FACILITIES – UK HEALTHCARE</u> (CANCER TREATMENT CENTER/AMBULATORY OUTPATIENT CENTER) <u>CONSTRUCTION PHASE CAPITAL PROJECT</u>

<u>Recommendation</u>: that the Board of Trustees approve the initiation of the Construct Ambulatory Facility-UK HealthCare and Construct State Street Medical Facilities – UK HealthCare (Cancer Treatment Center/Ambulatory Surgery Center) Construction Phase capital project.

<u>Background</u>: Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation.

To better serve the Commonwealth, UK HealthCare has identified a need for a Cancer and Advanced Ambulatory Complex. On May 4, 2021, the Board approved the initiation of the design phase of this project. The design phase is underway, and it is now appropriate to begin the next phase and move forward with construction. The Cancer Treatment Center/Ambulatory Surgery Center project will include multiple clinical care buildings and structured parking with an anchor of approximately 260,000 square feet for cancer-specific services. Other services targeted for this location may include, but are not limited to, outpatient operating rooms, minor procedures, endoscopy, diagnostics and imaging services, pharmacy, retail, outpatient clinics, meeting spaces and necessary support spaces.

The revised combined scope of this project, authorized by the 2022 Session of the Kentucky General Assembly is \$500,000,000, which includes both the design and construction phases, and is well within the total legislative authorization of \$550,000,000. The project will be funded with agency funds. Pending Board approval, the university will report the combination of the two legislative authorizations and the transfer of funds from agency bonds to agency funds to the Capital Projects and Bond Oversight Committee.



FACILITIES (CANCER TREATMENT CENTER/AMBULATORY OUTPATIENT CENTER)